

this docket, there is no unreasonable dialing delay, and no disputes have been identified regarding this issue.

III. COST RECOVERY MECHANISM

At Page 5 of its comments, Staff states:

"Since the Michigan Commission has adopted an allocator which assigns dialing parity costs on the basis of number of lines, Ameritech Michigan must address the compliance of this allocator with the FCC requirement cited above."

Ameritech Michigan believes that the cost recovery plan previously adopted by this Commission fully complies with the requirements of the FCC's Second Report and Order.

As Staff recognized, the FCC has required that costs relating to dialing parity be recovered on a competitively neutral basis. (FCC, Second Report and Order, CC Docket 96-98, Paragraphs 94-94) The Michigan Commission has already adopted a competitively neutral cost recovery mechanism. In its March 10, 1995 order addressing the report of the Michigan Dialing Parity Task Force and some of the specifics of 1+ dialing parity implementation in Michigan, the Commission stated:

"The Commission finds that all providers of intraLATA toll service should pay the costs of implementing intraLATA dialing parity because it is most consistent with full intrastate toll competition. In contrast, requiring only the IXCs to pay for intraLATA dialing parity would have a chilling effect on competition because it would put new market entrants at a cost disadvantage." (MPSC Case No. U-10138, March 10, 1995 Opinion and Order, p. 28, emphasis added)

In the task force process, Ameritech Michigan had contended that cost recovery for intraLATA dialing parity should be based on minutes of use rather than number of lines. However, the Commission rejected that argument:

"The Commission does not agree with Ameritech Michigan's argument that a per minute of use charge is more appropriate because it assigns costs to customers who use intraLATA dialing parity the most. That argument misses the point. Costs associated with usage are not at issue. Rather, only the costs of physical conversion to intraLATA dialing parity are at issue. The Commission is persuaded that these costs are a function of the number of access lines. Accordingly, the EARC [equal access recovery charge] should be a monthly charge per intraLATA presubscribed access line assessed on both the PECs and IXC's." (MPSC Case No. U-10138, March 10, 1995 Opinion and Order, p. 23)

Consistent with the task force report and the Commission's March 10, 1995 order, on January 1, 1996, Ameritech Michigan implemented an equal access recovery charge (EARC) assessed on each intraLATA presubscribed access line. (See MPSC Tariff 20R, Part 21, Section 2, Original Sheet 2.7, copy attached)

The FCC, in its Second Report and Order, Paragraph 95, states that the costs of implementing 1+ intraLATA toll dialing parity:

"... must be recovered from all providers of telephone exchange service and telephone toll service in the area served by a LEC, including that LEC, using a competitively neutral allocator established by the state ... therefore we conclude that a competitively neutral recovery mechanism for dialing parity should only allocate cost to this more limited class [providers of telephone exchange service and telephone toll service]." (Footnotes omitted)

Consistent with the FCC's order, the Michigan EARC allocates cost recovery to providers of telephone exchange service and telephone toll service based on the number of intraLATA presubscribed access lines.¹ However, Staff, in its comments, quotes a footnote in the FCC's Second Report and Order that Staff

¹When other LECs such as GTE, MECA companies, or CLECs implement and recover the costs for 1+ presubscription, the class of providers to whom costs would be allocated via their EARC would, under the Commission's task force order, also have to include the LEC and intraLATA toll providers, again consistent with the FCC's methodology.

believes creates an issue concerning the use of an allocator based on number of lines:

"We recognize that, unlike the case for number portability costs, states would not be able to establish a cost allocator based on number of lines because such an allocator could not apportion costs on a competitively neutral basis where dialing parity is provided to a CMRS provider. We expect that states will establish a competitively neutral allocator that can be used to apportion costs among all providers." (Footnote 229, Paragraph 95)

Given the text of the FCC's order, this footnote is at best confusing. It refers to a prohibition on the use of "number of lines" as an allocator "where dialing parity is provided to a CMRS provider." However, the FCC's order, and indeed the federal Act itself, do not require CMRS (i.e., cellular) carriers to provide dialing parity (or to be "provided" dialing parity). Dialing parity, under the FCC's rule (Section 51.207), is an obligation imposed on local exchange carriers (LECs). The FCC has expressly declined to treat cellular providers as LECs. (See First Report and Order, Paragraph 1004) In addition, the federal Act recognizes that cellular carriers do not have to provide customers with equal access. (Section 705) The FCC expressly recognized in the Second Report and Order that CMRS providers are not required to provide dialing parity or nondiscriminatory access under Section 251(b)(3) of the federal Act. (Paragraph 29)

Moreover, dialing parity is, under both this Commission's definition and the FCC's order, a functionality which is provided by a local exchange carrier to allow end user customers to select between competing providers of toll service. In this context, dialing parity is not "provided to" a CMRS provider in any sense.²

Therefore, the situation posed in the FCC's footnote does not exist in Michigan since dialing parity is not "provided to" any cellular provider, and therefore, the use of an allocator based on presubscribed access lines as selected by

²Unless that CMRS provider also happened to be a provider of intraLATA toll service to Ameritech Michigan's local exchange customers, which is not the case in Michigan.

this Commission is fully appropriate. In fact, the Michigan allocator was expressly designed by this Commission to "apportion costs among all providers" consistent with the last sentence of the above-quoted footnote. See the March 10, 1995 Task Force order, page 28.

Ameritech Michigan also points out that the allocator selected by this Commission for allocating intraLATA toll dialing parity costs is not simply based on "the number of lines," as that term is used in the FCC's footnote, i.e., the number of basic local exchange lines. Rather, this Commission has based its allocation of cost recovery for dialing parity on the number of intraLATA presubscribed access lines.

The allocator chosen by the Commission allocates costs among all competing providers of intraLATA toll service, including the LEC, on a competitively neutral basis and is limited to the classes defined by the FCC order. The Michigan Commission has dealt in detail with the issue of intraLATA toll dialing parity and has established a competitively neutral cost mechanism well in advance of the FCC's recent efforts. The FCC properly and appropriately deferred this issue to the states, and the method which had previously been chosen by this Commission meets the specific criteria established by the FCC, regardless of any implications to the contrary in the confusing and inapplicable footnote quoted above.

IV. COPIES OF COURT OPINIONS AND ORDERS

Staff also requested additional information concerning actions by various courts concerning 1+ toll dialing parity:

"Ameritech Michigan should provide copies of **all** the opinions and orders with regard to its multiple court filings." (Staff Comments, p. 8)

Attached hereto are copies of all of the opinions and orders issued by various courts relating to the 1+ intraLATA toll dialing parity issue. Included are

those specific court orders and opinions addressed in Staff's comments; i.e., the November 4, 1996 order of the Federal Court for the Western District of Michigan, the Ingham County Circuit Court order of November 20, 1996, and the Michigan Court of Appeals order of December 4, 1996 staying the Commission's order in Case No. U-10138.

V. CONVERSION SCHEDULE

Staff also requested additional information concerning the proposed conversion schedule:

"Although the conversion schedule originally submitted in Michigan's U-10138 proceeding specified the dates when dialing parity would be feasible by exchange, a specific conversion schedule has not been delineated, given Ameritech Michigan's most recent conversion proposal. Implementation on an exchange basis appears to be required by the FCC's rule." (Staff Comments, p. 9)

Attached as Schedule C is an exchange-by-exchange conversion schedule showing exchanges already converted (i.e., on January 1, 1996 and December 2, 1996 respectively), the additional exchanges which will be converted when Ameritech Michigan requests in-region interLATA relief from the FCC, and the remaining exchanges which will be converted 10 days prior to the exercise of in-region interLATA relief.

VI. ASSIGNMENT OF NEW AND/OR EXISTING CUSTOMERS


Staff's comments also requested additional information regarding the assignment of non-selecting customers:

"Ameritech Michigan has not addressed the assignment of non-selecting new and/or existing customers in its November filing in this proceeding. Whether Ameritech Michigan complies with this part of the FCC requirements can, therefore, not be determined." (Staff Comments, p. 10)

Under the FCC's Second Report and Order, dial tone providers are not permitted to automatically assign themselves to new customers who do not make an affirmative choice of intraLATA toll provider. Rather, such customers are required to use access codes for dialing until an affirmative choice of carriers is made. (Second Report and Order, ¶ 81) This Commission, in its March 10, 1995 task force order in Case No. U-10138, did not expressly address the situation of non-selecting new customers of Ameritech Michigan.³ However, consistent with the task force order, Ameritech Michigan currently uses a process, and has applied that process to date, whereby non-selecting new customers are not assigned to a toll provider, but rather, are required to use access codes in a manner consistent with the FCC's order. Pursuant to the Task Force order, for all existing customers as of the date of 1+ intraLATA toll dialing parity conversion, no change is made in their intraLATA toll carrier until the customer makes an affirmative selection. Ameritech Michigan commits that it will continue this practice in connection with the implementation of 1+ intraLATA toll dialing parity in Michigan.

Respectfully submitted,

AMERITECH MICHIGAN


CRAIG R. ANDERSON (P28968)
444 Michigan Avenue, Room 1750
Detroit, Michigan 48226
(313) 223-8033

DATED: December 27, 1996

³This Commission, in the March 1995 order, rejected balloting for existing intraLATA toll customers where interLATA equal access already existed (i.e., all of Ameritech Michigan's existing exchanges). This is consistent with the FCC's decision to leave the issue of whether balloting should occur to the states. (Second Report and Order, ¶ 80) In considering non-selecting customers where balloting would occur (which would not include any Ameritech Michigan exchanges), the Commission's order addressed the issue. However, no such determination was made regarding Ameritech Michigan's new customers.

Schedule A

Exchanges In Which Interconnected CLECs Are Licensed¹

Ada
Alto
Ann Arbor
Auburn Heights
Belleville
Birmingham
Byron Center
Caledonia
Centerline
Detroit 1, 2, 3, 4, 5, and 6
Dorr
Dutton
Farmington
Grand Rapids
Grattan
Holland
Hudsonville
Jamestown
Lansing
Livonia
Lowell
Marne
Mayfair
Moline
Mt. Clemens
Northville
Plymouth
Pontiac
Rochester
Rockford
Romulus
Roseville
Royal Oak
Southfield
Sparta
Traverse City
Troy
Utica
Walled Lake
Warren
Wayne
West Bloomfield
Wyandotte
Ypsilanti
Zeeland

¹MFS has recently expanded its license to cover all Ameritech Michigan and GTE exchanges in the state, but has not to date completed interconnection arrangements consistent with this expansion of service territory. The listed exchanges, therefore, are based on MFS' prior licensed territory.

Schedule B

**Exchanges Or Wire Centers In Which CLECs Are
Purchasing Services (as of December 1996)**

<u>Exchange Or Wire Center</u>	<u>Unbundled Loops</u>	<u>Co-Location</u>	<u>EOI Trunks</u>
Ann Arbor		X	
Auburn Hills		X	
Birmingham		X	
Bloomfield			
Centerline	X	X	
Comstock Park		X	
Dearborn	X	X	
Detroit Bell	X	X	X
Detroit Madison	X	X	
Detroit Riverfront	X	X	
Diamondale	X	X	
Dutton Main	X	X	
E. Lansing Main		X	
Fairborn		X	
GR Bell	X	X	X
GR East	X	X	X
GR Empire		X	X
GR South	X	X	X
GR West		X	X
Holland Main	X	X	
Hudsonville Main	X	X	
Lansing Main		X	
Lansing NW		X	
Lansing South		X	
Livonia		X	
Plymouth		X	
Pontiac		X	X
Royal Oak		X	
Southfield Main	X	X	X
Traverse City		X	
Troy Main	X	X	
Troy Somerset		X	
Warren Main	X	X	
Warren Techline	X	X	
Wayne		X	X
Wyoming Lenox	X	X	
Zeeland		X	

SCHEDULE C

AMERITECH MICHIGAN'S INTRALATA TOLL DIALING PARITY CONVERSION SCHEDULE (as of December 27, 1996)

I. Exchanges converted January 1, 1996

Ada	Alto	Battle Creek
Beaverton	Birch Run	Byron Center
Caledonia	Clare	Dimondale
Dutton	Eaton Rapids	Evart
Fenton	Fowlerville	Frankenmuth
Gladwin	Harrison	Holland
Holt	Lansing	Lowell
Mason	Nashville	New Buffalo
Niles	Pottersville	Reed City
St. Helen	Three Oaks	Vermontville
West Branch		

II. Exchanges converted December 2, 1996

Amasa	Bark River	Bay City
Bellevue	Benton Harbor	Bessemer
Boyne City	Buchanan	Cadillac
Calumet	Champion	Channing
Charlevoix	Cheboygan	Clark Lake
Coloma	Cornell	Crystal Falls
Detroit 1	Detroit 2	Detroit 3
Detroit 4	Detroit 6	East Jordan
East Tawas	Elk Rapids	Escanaba
Farwell	Flint	Frankfort
Freeland	Gladstone	Grand Rapids
Grattan	Gwinn	Harbor Springs
Hillsdale	Houghton	Indian River
Iron Mountain	Iron River	Irons
Ironwood	Ishpeming	Jackson
Kalamazoo	Keweenaw	Lake Leelanau
Lake Linden	Lake Odessa	Mackinac Island
Mackinaw City	Manistee	Marne
Marquette	Marshall	McBain
Menominee	Michigamme	Midland
Moline	Napoleon	Negaunee
Newberry	Northport	Norway
Onkama	Oscoda	Petoskey
Plainwell	Rapid River	Republic
Rockford	Saginaw	Sault Ste. Marie
Scottville	Sparta	St. Ignace
St. Joseph	Trout Lake	Wakefield
Walloon Lake	Watersmeet	Williamsburg
Wolverine		

III. Exchanges planned to be converted upon filing of Ameritech Michigan's 271 Application.

Albion	Ann Arbor	Applegate
Athens	Auburn	Baldwin
Bad Axe	Belding	Bergland
Berrien Springs	Beulah	Big Rapids
Birmingham	Brevort	Carsonville
Chelsea	Clio/Mt. Morris	Curtis
Dorr	Eau Claire	Engadine
Flushing	Fountain	Freemont
Freeport	Galesburg	Greenville
Harrietta	Hastings	Hermansville
Hudsonville	Interlochen	Ionia
Jamestown	Jonesville	Kalkaska
LeRoy	Luther	Manton
Marion	Monroe	Newaygo
Olivet	Otsego	Pontiac
Port Huron	Port Sanila	Portland
Powers	Reese	Richland
Rock	Roseville	Sandusky
Sebewaing	Snover	St. Charles
Stephenson	Traverse City	Tustin
Ubly	Unionville	Vicksburg
Warren	Watervliet	Wayne
White Cloud	Wyandotte	Ypsilanti
Zeeland		

IV. Exchanges planned to be converted 10 days prior to exercising interLATA authority

Akron	Algonac	Armada
Auburn Heights	Bay Port	Belleville
Big Bay	Brighton	Byron
Carleton	Casnovia	Cedar Springs
Charlotte	Clarkston	Clarksville
Coleman	Commerce	Coral
Croswell	Dansville	Detroit 5
Dexter	Drayton Plains	Fairgrove
Farmington	Fife Lake	Flat Rock
Freesoil	Fulton	Gagetown
Galien	Grand Blanc	Grand Haven
Grant	Hartland	Holly
Hopkins	Howell	Kent City
Lake Orion	Lapeer	Leslie
Lexington	Linwood	Livonia
Mancelona	Manchester	Marine City
Martin	Mayville	Middleville
Milan	Morley	Mt. Clemens
Mulliken	New Baltimore	New Boston
New Haven	Northville	Owendale

Oxford
Perkins
Rochester
Romulus
Sand Lake
South Lyon
Standish
Trufant
W Bloomfield
Wayland

Peck
Pinckney
Rockwood
Rosebush
Saranac
Southfield
Trenton
Utica
Walled Lake
Whitmore Lake

Pellston
Plymouth
Romeo
Royal Oak
Scotts
St. Clair
Troy
Vassar
Washington
Willis

MAN
C.A.A.
RAM
LD
File

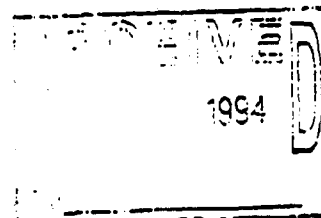
MICHIGAN COURT OF APPEALS

ORDER

Re: **GTE North, Inc v MPSC**
Michigan Bell Telephone Company v MPSC
Docket No. 177802 and 177886
L. C. No. 00U10138

Martin M. Doctoroff, Chief Judge, acting pursuant to MCR 7.211(E)(2), orders:

That these appeals are CONSOLIDATED to advance the efficient administration of the appellate process.



A true copy entered and certified by Ella Williams, Chief Clerk, on



OCT 03 1994

Date

Ella Williams
Chief Clerk

ORDER

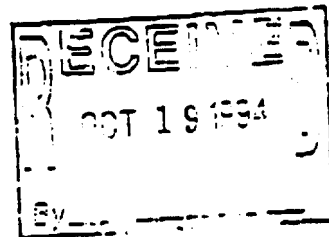
2

GTE NORTH, INC. v MPSC
Docket # 177802 4 177906
L.C. # 00U10138

Mark J. Cavanagh
Presiding Judge
E. Thomas Fitzgerald
Clifford W. Taylor

Judges

The Court orders that the motion for peremptory reversal pursuant to MCR 7.211(C)(4) is DENIED for failure to persuade the Court of the existence of manifestly reversible error warranting peremptory relief without argument or formal submission.



A true copy entered and certified by Ella Williams, Chief Clerk, on



10/19/94
Date

Ella Williams
Chief Clerk

CAA

AEC

RPM

L.
Dought

File

in

Order

Book

MICHIGAN COURT OF APPEALS

ORDER

Re: GTE North, Inc. v MPSC
Docket No. 177802
L. C. No. 00U10138

William B. Murphy, Chief Judge Pro Tem, acting pursuant to MCR 7.211(E)(2), orders:

The motion to extend time is GRANTED. The time for filing appellee's brief on behalf of MPSC is extended until February 8, 1995.



A true copy entered and certified by Ella Williams, Chief Clerk, on

March 8, 1995
Date

Ella Williams
Chief Clerk

P.02
M111
CAA
AEO
RPM
L. Smully
File
Order
Bene

MICHIGAN COURT OF APPEALS

ORDER

Re: **GTE North, Inc v MPSC**
Michigan Bell Telephone Company v MPSC
Docket No. 177802 and 177886
L. C. No. 00U10138 and 00010138

Martin M. Doctoroff, Chief Judge, acting pursuant to MCR 7.211(E)(2), orders:

The motion to expedite appeals is GRANTED. The Clerk shall submit these cases on the next available case call calendar.



A true copy entered and certified by Ella Williams, Chief Clerk, on

March 8, 1995
Date

Ella Williams
Chief Clerk

FBI MHT
CAA
AEC
RPM
L.
Dough
File
in
Order
Book

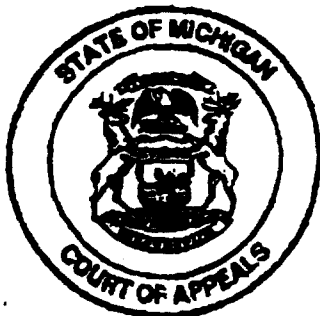
MICHIGAN COURT OF APPEALS

ORDER

Re: GTE North, Inc. v MPSC
Docket No. 177802
L. C. No. 00U10138

William B. Murphy, Chief Judge Pro Tem, acting pursuant to MCR 7.211(E)(2), orders:

The motion to extend time is GRANTED. The time for filing appellee's brief on behalf of MPSC is extended until February 8, 1995.



A true copy entered and certified by Ella Williams, Chief Clerk, on

March 8, 1995
Date

Ella Williams
Chief Clerk

Court of Appeals, State of Michigan

ORDER

GTE North, Inc v MPSC and
Michigan Bell Telephone Co v MPSC

Martin M. Doctoroff

Presiding Judge

Docket # 177802 and 177886

William B. Murphy
Harold Hood

L.C. # 00U10138 and 00010138

Judges

The Court orders that the motions for oral argument by appellee MCI Telecommunications Company are GRANTED.

The Court orders that the motion of cross-appellant in Docket No. 177802 to dismiss the cross-appeal in Docket No. 177802 is GRANTED and that cross-appeal is DISMISSED.



A true copy entered and certified by Ella Williams, Chief Clerk, on

APR 19 1995

Date

Ella Williams
Chief Clerk

Court of Appeals, State of Michigan

ORDER

GTE NORTH INC. V. MPSC

Docket # 177802

L.C. # U-10138

JOEL P. HOEKSTRA

Presiding Judge

**HAROLD HOOD
DAPHNE CURTIS**

Judges

The Court Orders that the motion for leave to file a supplemental brief filed by AT& T Communications and MCI Telecommunications is GRANTED.



A true copy entered and certified by Ella Williams, Chief Clerk, on

AUG 02 1995

Date

Ella Williams
Chief Clerk

*File
Pleader*

MICHIGAN COURT OF APPEALS

ORDER

Re: **Ameritech Michigan v MPSC
GTE North, Inc. v MPSC
Docket No. 184718 and 186602
L. C. No. 00010138**

Martin M. Doctoroff, Chief Judge, acting pursuant to MCR 7.211(E)(2), orders:

That these appeals are CONSOLIDATED to advance the efficient administration of the appellate process.



A true copy entered and certified by Ella Williams, Chief Clerk, on

August 28, 1995

Date

Ella Williams
Chief Clerk

Court of Appeals, State of Michl. 2

ORDER

GTE North, Inc. v MPSC, et al

Docket # 186602

L.C. # U-10138

(P)
E. Thomas Fitzgerald

Presiding Judge

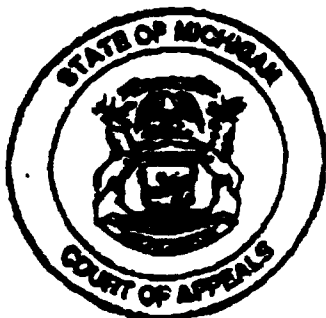
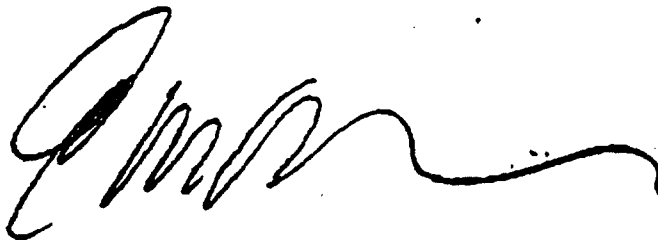
Mark J. Cavanagh

Marilyn Kelly

Judges

The Court orders that the motion for immediate consideration of GTE North's motion for stay is GRANTED.

The motion for stay is DENIED.



A true copy entered and certified by Ella Williams, Chief Clerk, on

SEP 18 1995

Date


Chief Clerk

P

MICHIGAN COURT OF APPEALS

ORDER

Re: **Ameritech Michigan v MPSC**
Docket No. 184718
L. C. No. 10138

Martin M. Doctoroff, Chief Judge, acting pursuant to MCR 7.211(E)(2), orders:

The motion to extend time is GRANTED. The time for filing appellee's brief on behalf of the MPSC is extended until September 29, 1995.



A true copy entered and certified by Ella Williams, Chief Clerk, on

September 18, 1995

Date

Ella Williams
Chief Clerk

Court of Appeals, State of Michigan

ORDER

AMERITECH MICHIGAN v
MPSC

11/17/95
Ault
Dougherty
F
Martin M. Doctoroff

Presiding Judge

Docket # 184718

William B. Murphy
Harold Hood

L.C. # 00010138

Judges

The Court orders that the motion to dismiss shall be submitted to the Case Call Panel for decision. The Clerk of this Court shall make all necessary arrangements to insure that the Case Call Panel gets all necessary documents.



A true copy entered and certified by Ella Williams, Chief Clerk, on

DEC 01 1995

Date

Ella Williams
Chief Clerk

**STATE OF MICHIGAN
COURT OF APPEALS**

GTE NORTH, INC.,

Appellant, Cross-Appellee.

v

MPSC, et al,

Appellees,

and

MICHIGAN EXCHANGE CARRIERS ASSOCIATION,

Appellee, Cross-Appellant.

MICHIGAN BELL TELEPHONE COMPANY,

Appellant,

v

MICHIGAN PUBLIC SERVICE COMMISSION, et al,

Appellees.

Before: Hoekstra, P.J., and Hood and Daphne Means Curtis, * JJ.

PER CURIAM.

GTE North, Inc. (GTE) and Michigan Bell Telephone Company (Michigan Bell) appeal by right orders of the Michigan Public Service Commission (PSC) which require GTE and Michigan Bell to implement uniform dialing arrangements for certain intrastate long distance telephone calls by January 1, 1996. The PSC, AT&T Communications of Michigan, Inc. (AT&T), MCI Telecommunications Corporation (MCI) and the Attorney General respond as appellees. We affirm.

I

This case concerns toll service for long distance telephone calls within Local Access Transport Areas (LATAs). LATAs comprise geographic regions, generally corresponding to telephone area code regions, which were created pursuant to divestiture of the Bell operating companies in the early 1980s. There are five LATAs in the State of Michigan.

According to divestiture decrees in federal court, Local Exchange Carriers (LECs) such as GTE and Michigan Bell may provide "intraLATA" toll services for long distance calls within a LATA, but are prohibited from providing toll service for calls between LATAs, i.e., "interLATA" service.

***Recorder's Court Judge, sitting on the Court of Appeals by assignment.**

Accordingly, calls between LATAs are currently handled by Interexchange Carriers (IXCs) such as AT&T and MCI, and many others.

The current dialing arrangements for intraLATA calls serviced by GTE or Michigan Bell only require the caller to add a single digit "prefix" number at the beginning of the number to be called. This is known as "+1" or "+0" dialing, depending on whether the required prefix number is a 1 or a 0. When the PSC authorized IXCs such as AT&T and MCI to compete in the Michigan intraLATA market in the late 1980s, it allowed GTE and Michigan Bell to retain exclusive use of "+1" and "+0" dialing arrangements for most of their own intraLATA toll services. The dialing arrangements for most intraLATA toll service provided by the IXCs requires the caller to dial a five-digit "10xxx" prefix number, with the "xxx" being a three-digit carrier identification code assigned to each IXC, e.g., 1+0+ATT for AT&T's service.

In its December 21, 1989 decision on intraLATA competition in PSC Nos. U-9004, U-9006, and U-9007, the PSC found that the "10xxx" dialing arrangement provided the IXCs with "equal access" to GTE's and Michigan Bell's local exchange networks as required by federal authorities. In declining to require uniform 1+ dialing arrangements for all intraLATA service by all providers, sometimes called "dialing parity" or "presubscription", the PSC reasoned that any competitive advantage GTE or Michigan Bell received from exclusive use of +1 or +0 dialing was offset by other competitive advantages held by the IXCs, such as the ability of the IXCs to service both the intraLATA and interLATA markets. The PSC also reasoned that because the type of "two-PIC" technology required to allow customers to choose separate carriers for their intraLATA and interLATA calls was not yet feasible, implementation of presubscription for intraLATA calls would have the effect of driving GTE and Michigan Bell out of the intraLATA toll market completely, since customers could only choose an IXC to handle both their intraLATA and interLATA calls.

Subsequent to the PSC's 1989 decision in Nos. U-9004, U-9006, and U-9007, the Legislature enacted the Michigan Telecommunications Act, 1991 PA 179, MCL 484.2101 et seq; MSA 22.1469(101) et seq (hereinafter Act 179), effective January 1, 1992, which repealed and replaced public acts of 1883 and 1913 regulating telephone service. Act 179 invests the PSC with regulatory authority over certain telecommunication services, including basic local exchange, access, and toll services, while placing certain limits on the PSC's oversight of such regulated services and generally negating the PSC's authority over other, unregulated telecommunication services. In this manner, the act tends to deregulate the telecommunications industry with a view toward fostering competition between telecommunication service providers. This intent is perhaps best reflected in § 103 of the act, which provides:

Except as otherwise provided in this act, this act shall not be construed to prevent any person from providing telecommunication services on competition with another telecommunication provider. [MCL 484.2103; MSA 22.1469(103).]

The act has a "sunset" expiration date of January 1, 1996. MCL 484.2604; MSA 22.1469(604).

The only place where Act 179 expressly addresses the subject of intraLATA dialing parity is a provision in § 202(f) of the act regarding various matters to be included in a report from the PSC to the Legislature and the Governor due January 1, 1994. Specifically, § 202(f)(x) required the PSC to report upon the technological and economical impact of dialing parity within LATAs:

In addition to the other powers and duties prescribed by this act, the commission shall do all of the following:

- ***
- (7) Issue a report to the legislature and governor on or before January 1, 1994. The report shall include all of the following:

- (8) The technological and economical impact of the implementation of INTRA-LATA 1-plus dialing party within LATAs. [MCL 484.2202; MSA 22.1469(202).]

The above language was added by an amendment in the House of Representatives after the Senate had already approved the original version of the act. The House version also contained another amendment to § 312 of the act (offered by Representatives Power and Bandstra) directing the PSC to implement intralATA dialing party when the PSC determines it to be technologically and economically feasible:

- (3) The commission shall order the implementation of intralATA 1-plus dialing party for all toll carriers offering service within the LATA when the commission determines that such party is technically and economically feasible.

However, the Power/Bandstra amendment was ultimately deleted from the final version of the act following review of a House-Senate joint conference committee.

The instant PSC proceedings were instituted on July 31, 1992, when MCI filed a complaint with the PSC alleging that CTE and Michigan Bell had violated § 312(4) and various provisions of § 305 of Act 179 with regard to intralATA access by failing to provide 11 dialing party. MCI also alleged that the current intralATA dialing arrangements are adverse to the public interest in violation of § 205(2) of the act.

Section 205 of Act 179 provides:

- (1) The commission may investigate and resolve complaints that concern the quality and availability, conditions, deposit requirements, or disconnection of a regulated service, or any other provision of this act that regulates service.

- (2) If the commission finds, after notice and hearing, that the quality, general availability, or conditions for the regulated service violate this act or an order of the commission under this act, or is adverse to the public interest, the commission may require changes in how the telecommunication services are provided. The commission's authority includes, but is not limited to, the revocation of a license and issuing cease and desist orders. [MCL 484.2205; MSA 22.1469(205).]

A contested case hearing was conducted before an administrative law judge in late 1992. AT&T, the Attorney General, and appellee Michigan Exchange Carriers Association (MECA), among others, intervened in the proceedings.

In an opinion and order issued February 23, 1993, The PSC followed the recommendations of the ALJ by dismissing MCI's complaint and deferring consideration of whether the PSC should implement intralATA dialing party until some future time. Although the PSC found no violations of §§ 305 and 312(4) of Act 179, it agreed with MCI that it is empowered to implement intralATA dialing party pursuant to its authority under § 205 of the act to regulate how telecommunications services are provided. The PSC declined to determine whether continuing the existing dialing arrangements would be adverse to the public interest at that time, however, noting that various issues regarding